

HOUSE BILL 1398

By Carter

AN ACT to amend Tennessee Code Annotated, Title 6, Chapter 56; Title 9, Chapter 1; Title 9, Chapter 3; Title 9, Chapter 4 and Title 9, Chapter 21, relative to public indebtedness.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 9, Chapter 4, Part 51, is amended by adding the following language as a new, appropriately designated section:

(a) No state funds shall be expended to pay the public indebtedness of any municipality.

(b) As used in this section, unless the context otherwise requires:

(1) "Public indebtedness" means the bonds, notes or other evidence of indebtedness lawfully issued or assumed;

(2) "State departmental revenues" means:

(A) Earnings or charges for goods or services; or

(B) Donations, contributions or participation by political subdivisions, foundations, corporations, firms or persons;

(3) "State funds" means state departmental revenues or state revenues;

and

(4) "State revenues" means the proceeds collected from taxes, licenses, fees, fines, forfeitures or other imposts laid specifically by law for state government.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.